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# today's need

FOR  
JOINT  
CONSULTATION



**TODAY'S NEED  
FOR  
JOINT CONSULTATION**

**LABOUR-MANAGEMENT CONSULTATION BRANCH**

**Canada Department of Labour**

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TODAY'S NEED  
FOR  
JOINT CONSULTATION

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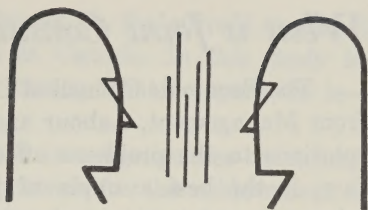
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## *Challenges and Hurdles*



"We are confronted with the problem of how to deal with displacement and dislocation, with the need for retraining, with the development of new skills, with the survival of an enterprise and the investment of new capital, with material and human losses, and the question of how to distribute new benefits between wages, social welfare and leisure. These are complex and rapidly changing issues which cannot be tackled successfully unless: first, there is mutual concern and mutual recognition of the legitimate role of each party; second, there is realization that neither the responsibility for, nor the cost of, adjustment can be imposed solely upon one of the parties or let fall upon the weak; and third, there is a comprehension of the need for objective analysis, for information, for prior study, for consultation and forward planning, and for a readiness to deal with realities."

These are the views of Dr. John J. Deutsch, Chairman of the Economic Council of Canada, on the realities of to-day's labour-management problems as expressed in his opening remarks to the Economic Council's First National Conference on Labour-Management Relations, held in Ottawa in November, 1964.

To-day's problems are not replacing yesterday's historic issues, but are being added to them. They add up to the realities that require objective analysis, information, prior study, consultation and forward planning. As Dr. Deutsch went on to say, "In the kind of world in which we are now living, the notion of labour-management co-operation is much more than an agreeable-sounding social ideal which can be left as it is. It is obvious, looking at the issues which have arisen and which are causing social friction in many places in our economy, that new attitudes, new approaches and new possibilities have to be examined and considered in a positive spirit. You all know why this is so. It is because of the accelerating tempo of change which pervades nearly every aspect of our lives."

## *What is Joint Consultation?*

The Economic Council of Canada, made up as it is of leaders from Management, Labour and Government who meet to seek solutions to the problems affecting our nation's economic welfare, is the best example of joint consultation in Canada—a labour-management co-operation committee operating at the national level. Like labour-management co-operation committees in industry, it too is consultative and advisory only, and does not make decisions.

For some 20 years the Federal Department of Labour has promoted, through its Labour-Management Consultation Branch, close, continuous joint labour-management consultation in a "problem-sharing" and "idea-sharing" context at the plant or work place level. Joint consultation in industry is the planned meeting together of representatives of the two partners to industry, labour and management, in a labour-management co-operation committee.

Joint consultation is a philosophy of industrial relations which holds that the interests of business and industry are best served when labour and management co-operate closely and with confidence to solve their mutual problems and to achieve their mutual objectives. The practice of joint consultation is the means to an end, not an end in itself.

Turning again to the Economic Council as an example of labour-management co-operation, it is interesting to note what preparations were made for the First National Conference. Prior to the Conference, the Council commissioned a series of five studies by individual experts who expressed their own views on their particular area of study, and the studies were then used as a basis of discussion at the National Conference mentioned above. A full report on this Conference, including the five studies prepared by the experts, has been published by the Council and is available from the Queen's Printer. This publication is an invaluable reference to any labour-management consultation committee and could be used by members as a basis for some of their own discussions.

Dr. W. D. Wood, Professor of Economics and Director of the Industrial Relations Centre at Queen's University, was one

such expert, and he prepared a study on the current status of labour-management co-operation in Canada. In this study he gives us his view of what labour-management co-operation is—and is not:

“It is important that it (labour-management co-operation) be understood as a systematic approach for the achievement of industrial relations and economic goals, and that it is not to be confused with the ‘good fellow’ approach, however valuable this may be.”

### *“Musts” for Effective Co-operation*

Joint consultation serves management, labour and all Canadians with equal effectiveness. To management it provides a means of enlisting the active interest and support of employees in promoting the welfare of the company or undertaking. To the employee it represents an opportunity to invest personal interest and initiative in the venture, and to obtain assurance that this contribution is both important and appreciated. To the people of Canada joint consultation is the means by which labour and management can work together to build a highly efficient Canadian industry, capable of competing successfully for markets both at home and abroad, while at the same time giving proper recognition to the human factors involved.

In his study of labour-management co-operation for the Economic Council, Dr. Wood listed six key factors for effective co-operation:

(1) “There must be *objectives for co-operation*. Specific goals are needed so that there is motivation for co-operation, and understanding of how co-operation can contribute not only to the parties’ own interests, but also to the broader objectives.

(2) “There must be *co-operative attitudes* on the part of labour and management, that is, a willingness to co-operate and a recognition that there are mutual benefits to be gained from co-operation.

(3) “There must be *knowledge and information* to provide a clear picture of specific goals and problems at each level of the economy, and to devise appropriate methods of achieving and solving these.



(4) "There must be *institutional security* for both unions and management. Unions will be reluctant to co-operate with management if it appears to them that through co-operation the union institution is likely to be weakened. As the other side of the coin, co-operation must also involve security for management—security that in the broad sense will not involve undue restrictions on the operation of the enterprise system, and that, at the plant level, will not handicap management's responsibility for overall management of the concern.

(5) "There must be a *favourable external environment* in the sense that government economic and social policies, and legislation, at both the federal and provincial levels of government, should permit rather than discourage co-operation.

(6) "Finally, there must be *appropriate mechanism for co-operation*. Co-operation cannot develop in a vacuum but needs an effective mechanism to get it going and to permit it to operate effectively."

One of Dr. Wood's specific recommendations reads: "At the level of the plant, it is important that the parties develop procedures through which they can come to grips with problems away from the heat of collective bargaining sessions. Without such mechanisms, there is little likelihood that co-operation can operate effectively."

Both management and unions are multi-strata institutions, and joint consultation should take place at the levels at which the problems of their inter-relationship occur. The "in-plant" joint consultation committee is the forum where the employee and union member, and plant management, can come together to find solutions for day-to-day problems. It is here that the union, through its members, the employees, can directly contribute to the undertaking by being concerned with quality of workmanship, quality of service provided to the customer, elimination of production bottlenecks, elimination of waste of material and manpower, reduction of absenteeism, and the promotion of safe working practices and good housekeeping. It is here that employees can contribute their ideas and ingenuity to the general welfare and efficiency of the enterprise. It is here that plant management can demonstrate its concern for the individual by assuring him that his work is important and

valued, that his ideas and suggestions are needed and appreciated—and that *his* security is also the security of the company.

When labour and management meet in a Labour-Management Committee in this kind of atmosphere and with these attitudes, much of what Dr. Wood has described as “phony conflict” can and should be eliminated. Dr. Wood is quite emphatic about the need for elimination of unnecessary conflict through a co-operative approach when he states:

“It is important, however, that we distinguish necessary and unnecessary conflict. Necessary or constructive differences are a useful and necessary stimulus for social change. They may stimulate learning and enthusiasm; lead to better, more imaginative results; increase vigilance and critical self-appraisal; and lead the parties to weigh conflicting values with greater discernment when they make decisions. Whether these benefits are actually obtained, however, will depend on whether the parties are prepared to bring their differences out into the open and deal with them in a positive manner.

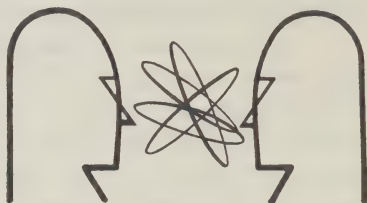
“While differences between labour and management are inevitable in some areas, such as in the area of income distribution, and while such differences may have their various constructive aspects, there may also be a great deal of unnecessary conflict between the parties. This can stem from a number of causes: from lack of knowledge about what their mutual interests are, and about the nature of the problems facing them; from lack of understanding between the groups, which is often reflected in a feeling that, because they are in separate camps, they must take opposing stands on every question—what might be called ‘phony conflict’; and lastly, from lack of mechanisms at the different levels of the economy to facilitate better understanding about common goals and means to achieve these. It is these kinds of conflict which need to be—and can be—eliminated.

“In summary, then, we need constructive differences as well as co-operation between labour and management. At the same time, we must also eliminate unnecessary conflict between the two through better knowledge, more enlightened outlooks, and through mechanisms to facilitate co-operation. We need, more and more, to carve out those areas where there is mutuality

of interest. The goals which labour and management have in common do not have to be impaired by the fact that there is some inevitable conflict on other issues."

Labour-management consultation committees provide the machinery to explore these areas of mutual interest through joint consultation.

## *Evolution of an Idea*



The promotion of co-operation is not new in Canada. Some important examples of labour-management consultation existed in Canadian industry prior to World War II. One of them, the Union-Management Co-operative Movement of the Canadian National Railways, was set up in 1925 by Sir Henry Thornton, the president of the company at that time. The movement is still operating today and is considered a thriving and dynamic force in Canadian National's operations.

During the same period, the Mutual Interest Board—a variation on the joint consultation theme—sprang up in a number of plants in the pulp and paper industry. Many of these boards survived and are functioning at the present time.

The Government of Canada first became involved in the promotion of joint consultation through labour-management committees during World War II. When maximum production of equipment and supplies for the armed forces became a matter of critical importance government leaders realized that closer co-operation between management and trade unions would greatly assist industry in attaining such a goal. Accordingly, an order in council was issued, establishing an Industrial Production Co-operation Board with the responsibility of promoting joint consultation in Canadian industry.

Wartime experience with these committees demonstrated conclusively that labour and management could achieve,



through joint consultation and co-operation, goals which were unattainable by other means. At the end of World War II, therefore, the Canadian government decided that the promotion of labour-management committees should be continued. Consequently, when the Industrial Production Co-operation Board ceased to exist following the expiry of wartime emergency powers in May, 1947, a "Labour-Management Co-operation Service" was established within the Industrial Relations Branch of the Department of Labour to continue the extension of joint consultation throughout Canadian business and industry.

At the outset, the policy and functions of the Labour-Management Co-operation Service remained basically similar to those of the former Board:

- labour-management committees were promoted at the *plant* level;
- they were to be *advisory*, not executive in their functions;
- labour was to have *at least equal* representation with management on the committees;
- the committees were to be *separate and apart* from the *collective bargaining process*, leaving bargaining matters to the bargaining agents;
- promotion of committees at the plant level would be in those enterprises where recognized bargaining agents exist.

The last-mentioned point was designed to prevent such groups from becoming what, to management, was "just another bargaining committee", and what, to labour, was "just a substitute for a bona fide union". It was inherent in the policy that, where there was a union, a procedure for bargaining existed, and that a labour-management committee need not become involved in bargaining matters. The partners in co-operation would thus be free of any crisis atmosphere, and could participate in "around the table" discussions without "across the table" bargaining.

The committees in industrial, commercial and institutional establishments discussed such topics as quality production and service; elimination of waste; safety; tool conservation, and good housekeeping.

However, these areas of mutual concern had, over the years, changed and expanded just as rapidly as the Canadian economy as a whole. Even the duration of collective bargaining agreements had undergone considerable change with more three-year, and even, in some instances, five-year, contracts instead of the usual one-year agreement.

All of these changes exerted even greater pressures on labour and management to meet consistently in "around the table discussions" and, at the same time, exerted even greater demands on the Labour-Management Co-operation Service to provide assistance and guidance. In order to fulfill these increasing functions, the Service, in March 1966, became the Labour-Management Consultation Branch with substantially-increased field staff and services.

Though the fundamental aim of this Branch remains the same as its founding—namely, to provide assistance to labour and management in overcoming problems which could weaken Canada's economic structure—the areas of concern have become much more complex and demanding, in human relations as well as economic considerations.

### *Today's Need for Co-operation*

The rapid change in industrial technology, the growing competition in world and domestic markets, the great increase in the number of young people entering the work force, and the increasing demand for trained and skilled people coupled with a declining demand for unskilled workers—all these factors combine to present an unprecedented challenge to the functioning of the Canadian economy.

The Department of Labour has reviewed its past program in the light of these needs, and found it too limited and too restricted. Today the aim of the program is to suggest new policy approaches such as stressing positive goals or objectives of labour-management co-operation, and broader consultation on matters having to do with technological change, displacement of workers, training, and any other method necessary to ease the inevitable impact of industrial change. The results of such preliminary consultation may be the subject of collective bargaining when the time comes to write into formal agreements those understandings reached in informal discussion.

When manpower adjustment becomes imperative because of technological change requiring urgent consideration, the generally-accepted form of normal collective bargaining may fail to provide an adequate solution.

If the parties fail to recognize that their collective bargaining process no longer provides ready answers, then a crisis will very likely develop at this point—*unless* the parties can be encouraged to participate jointly in the development of long-term solutions to the manpower problems created by technological change.

## *Manpower Consultative Service— Additional Assistance*

To aid management and unions who find themselves facing a situation where additional research and assistance are required, the Department of Labour established the Manpower Consultative Service. This service administers a program that is designed to provide technical, consultative and financial assistance so that industry may develop more constructive solutions for its manpower displacement problems.

The program is based on recognition by the federal government that the primary responsibility for dealing with the manpower consequences of technological change in terms of its impact at the level of the individual office and plant must rest primarily with both labour and management. It is equally recognized, however, that government through advice, research, and the provision of appropriate financial aid, can help management and labour to develop sound and effective programs to deal with the adverse effects of technological and economic change. Consequently the Manpower Consultative Service will also encourage and co-ordinate the use by industry of technical and vocational training facilities, job placement services and other organizations which can assist in bringing about more effective manpower adjustments.

The Department is authorized to enter into agreements with employers, or jointly with employers and unions, to provide research incentives to pay 50 per cent of the cost



incurred in researching the manpower effects of industrial change, and in the development, but not the implementation, of programs of adjustment. Such financial assistance depends on the minister receiving—through the Manpower Consultative Service—reasonable advance notice of industrial change which will have adverse effects on employment. Where there is a recognized union, there must also be agreement that management and union will participate jointly in the research and development phases of a manpower adjustment program.

The first such agreement was signed between the Minister of Labour, the National Association of Broadcast Employees and Technicians, and the Canadian Broadcasting Corporation in February 1965. The agreement provided for the establishment of a joint committee, under an independent and impartial chairman, to direct the necessary research and investigation. The committee had power to employ investigators and research workers to make the necessary assessments of changing work situations, employee potential, and the training and upgrading necessary to adjust existing staff to the changing job requirements, and for the Federal Department of Labour to reimburse the parties for 50 per cent of the expense incurred in developing the program. The findings of this committee would not be binding upon either of the parties, both of whom were free to accept or reject any or all of the suggestions or recommendations made by the joint committee.

(This Service is now part of the Department of Manpower and Immigration.)

## *Democracy at Work*

Joint consultation in industry is a practical extension of democratic philosophy. The program of the Labour-Management Consultation Branch advocates the exercise of democratic practices, in the conviction that such practices provide the surest means of attaining worthwhile economic and social objectives.

Whether the enterprise is multi-plant in size, a single plant operation, a hospital, a civic department or a service operation is unimportant, for joint consultation has proved its value in undertakings of all types and sizes. What is important is that those who decide to adopt joint consultation have faith in in-

dustrial democracy and in any concept that is rooted in democratic beliefs.

Studies have established that the average employee is a person who wants to do a good day's work, and who gives his best effort when he can share with his fellow-workers and his employer a genuine interest in the operation of which he is a part. The work place of a man or woman is a community, and it is the natural desire of an individual to be happy in that community and interested in its welfare. Whenever joint consultation between labour and management has been given an honest trial, the employees have experienced an enhanced feeling of usefulness and a true sense of participation. One worker has described it as being "the difference between working 'with' and working 'at' the company".

This emphasis on the human and social aspect of industrial relations, and on the need for labour-management communication through joint consultation, does not mean that such management problems as efficient production are being neglected. Dr. J. A. C. Brown, Deputy Director of the Institute of Social Psychiatry, London, England, in his book "The Social Psychology of Industry" makes this comment:

"Industry has, as we have seen, a social function to perform quite apart from the production of goods, but there is not the slightest reason to suppose that one function need be carried out at the expense of the other—on the contrary, all evidence supports the view that a satisfactory performance of the social function leads to higher production, reduced absenteeism, and reduced turnover of labour. That, in other words, it is the most effective incentive known."

One early practical application of joint consultation to a work situation is reported by Clarence K. Northcott in his book "Personnel Management: Principles and Practise". A past president of the British Institute of Labour-Management, and a former personnel manager of Rowntree and Company Ltd., York, England, Northcott found that when joint consultation was tried in, of all places, a British army engineers battalion facing a particularly dreary and difficult work situation, "the results of these methods were that production was increased and friction between the men and those directing them was removed.

“Monotonous routine was turned into an opportunity for thought, contrivance, initiative and experiment. The men found scope for decision on matters they understood, and passed from the category of ‘living tools’ to that of co-operators. Their labour was used economically—and they were relatively happy in the new status of partners in production.”

## *Labour-Management Bargaining and Co-operation*

Collective bargaining is based on recognition of the legal right of employees to organize for their economic and social improvement and to negotiate with management concerning the ground rules of their relationship: the wages to be paid, hours of work and other working conditions. Once this basic foundation for co-operation has been established, its inherent potential should not be left unexplored. By using it as a springboard to greater possibilities for consultation and co-operation, labour and management gradually become accustomed to working together on all problems of mutual interest and concern. Having reached agreement on the rules of this initial relationship, they can now try to reach understandings, undertake joint research and studies, and to experiment—free from the stresses and pressures of deadline collective bargaining.

Dr. Wood in his study paper for the Economic Council has stated that one key factor facilitating co-operation is institutional security. Elaborating on this point he says: “At present in Canada there still appears to be a great deal of suspicion and fear on the part of labour and management about the possible misuse of co-operation by the other in order to further its own aims rather than to promote mutual goals. If there is to be a favourable climate for co-operation, however, it is essential that each party have respect for the other’s institution. They must recognize that each has a legitimate role to play and that, consequently, each has a right to continued existence. This does not mean that labour and management should be in full agreement with each other’s objectives; it does mean that there should be mutual understanding of them.



"Both labour and management have certain responsibilities to ensure that the other's right to institutional security is respected. On the part of the union, there must be recognition of management's responsibility for the overall direction of the business, and of the fact that co-operation is not a means to bypass or replace formal collective bargaining and grievance procedures. On management's part, there must be recognition of the right of workers to organize, and awareness by managers that unions are here to stay. It is important to remember that, if unions did not exist, the vacuum would inevitably be filled by something else—probably the state. One need only read the history of Western Europe in the interwar years, or look at the situation in many of the developing countries today, to appreciate this."

## *Meeting Current Problems*

Only through communication between parties can understanding be reached, and only through understanding can fears and suspicions be allayed. Joint consultation, the face-to-face meeting, provides the best machinery for real communication—established lines of regular contact through which labour and management can tackle together their urgent mutual problems.

Many problems require the co-operation of labour and management for their solution. The most pressing are those raised by automation and technological change. The dislocation of workers made redundant by change, and the training or re-training of such workers so that they can be employed in other capacities within the company or find gainful employment elsewhere, are among the situations which must be faced.

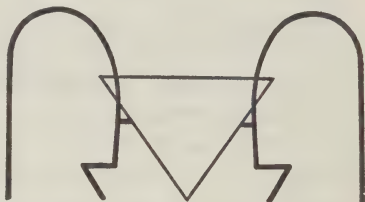
Manpower problems grow more pressing with the increasing influx of youth into our changing labour market. These young people are entering the market at a time when the demand for unskilled workers is rapidly declining. Since World War II, Canada has drawn a significant number of its skilled workers from Europe, while experiencing a problem of chronic unemployment among its own untrained or unskilled native born.

Now Europe is itself facing a severe shortage of skilled manpower which is expected to last for some time, and Canada will no longer be able to count on this source to the same extent

to fill its requirements. Even more important, Canada cannot afford the social and monetary cost of continuing to import skills while our native born remain untrained.

Labour and management must work together if they are to satisfactorily answer such questions as: What facilities are there in your company for in-plant training? Is it possible to develop a training program in your undertaking, or to provide more training than exists at present? Are there collective agreement or work rules in your establishment which present obstacles to training, retraining or the upgrading of skills?—and if so, what can union and management do to surmount them? Have you looked at your future skill needs? Are you preparing now for tomorrow's occupational requirements?

## *New Adventures in Joint Consultation*



All Canada has been watching with interest the work of the Dalhousie University Institute of Public Affairs' Labour-Management Study Committee which is pioneering an experiment in joint consultation at the regional level. The third Joint Labour-Management Study Conference held by Dalhousie in November, 1964, received a report from its sub-committee on automation and worker displacement. This sub-committee had confined its study to: (1) outlining the ways in which an individual company or operation might be affected by technological change, and (2) developing principles under which labour and management could work jointly to ensure maximum benefit and minimum dislocation from such change. The study specifically excluded those wider aspects of the problem of automation which are outside the control of a company.

The sub-committee found that labour and management could agree on the basic premise that automation and increased efficiency or productivity must be encouraged. Where this results in surplus labour, both parties must work together to

minimize the effect on individual employees. The sub-committee presented to the conference a series of extremely flexible principles for attacking the problems of automation, the first of which was: Advance consultation and planning between labour and management must start at the first indication of impending change, and must be continuing.

Dr. Wood's study paper commended this program and other pioneering experiments in joint consultation, particularly those at the company level of multi-plant industries. One program he described in some detail was that of the Dominion Tar and Chemical Company, Limited, which he said was an example of what can be achieved when there is genuine recognition of the need for co-operation. Reporting his findings, he told the Economic Council:

"While the Domtar experiment is a recent development, it must be pointed out that it did not evolve overnight, but stems really from a long history of good labour-management and collective bargaining relations.

"The experiment has involved a series of annual meetings—the first of which was held in 1962—to which are invited senior officials from the various unions represented in the company, and a respected mutual chairman from outside. Out of these have developed more regular discussions, together with working sub-committees.

"The meetings at Domtar show a significant sequence of events. The first meeting was concerned with broad problems of the economy and of the industry—pension plans, automation, the effect of changing patterns of trade, information and communication. Discussions of the broader economic problems were led by outside participants at the meeting. The following year, discussions centred on broader labour-management problems within the company, following an agenda which was jointly developed beforehand, and from this, working sub-committees were set up to study two specific problems, namely, how to get the problems and atmosphere of meetings at higher levels down to lower levels, and how to relocate displaced workers, under different union jurisdictions, in other locations of the company without losing all seniority rights.



"Perhaps the main result of the Domtar experiment to date is that, by getting together at high levels within the organization, management and unions have created a spirit of co-operation which, with effective downward communication on each side, may ultimately be transmitted throughout the company. At the same time, the fact that meetings and discussions have focused also on other specific company and industry problems, against a background of broader economic affairs suggests this may eventually lead to even more tangible mutual benefits."

Dr. Wood's optimism about the potential of the Domtar experiment would have been further strengthened if he had been in possession of information on the third Domtar conference which took place in the fall of 1964, and after he had completed his study. Following this conference a joint release was issued by management and union officials indicating that both parties felt, as they put it, that "a major breakthrough in labour-management co-operation was achieved at the third Labour-Management Meeting . . ."

They had discussed and agreed in principle on objectives of labour-management co-operation and a plan for employee transfer to be applicable to Domtar employees displaced by technological change or other reasons. Also, a joint Domtar Pension Plan Committee was appointed to deal with the possible effects of pension legislation pending at that time and other changes in their pension plan.

Attention of the third conference focused on a statement of common objectives including: obligation to maintain satisfactory standards for workers, a proper return to the shareholders, and an opportunity for workers to establish a closer identification with, and participation in, the affairs of the company.

Consistent with the concern shown at the second conference that the ideas and atmosphere of these meetings be communicated to all levels in the organization, delegates to the third conference decided that the conclusions arrived at were sufficiently important that regional meetings of Domtar employees and union officials would be held across Canada early in 1965.

Dr. Wood reported that the Abitibi Pulp and Paper Company had also developed a similar top level joint consultation

program from a similar background of good labour relations. In 1950 the company began meetings with top officers of the unions at a time when collective bargaining had been completed. One interesting development of these meetings was the establishment of the Abitibi Council of Education. This council, composed of labour and management, together with representatives from the field of education, serves as one example of the constructive approaches which have developed through the Abitibi program. Formation of the council represents a serious attempt to deal with the question of education, which management and unions do not normally think of as falling within their joint scope.

In the United States also there have been new developments. Dr. J. T. Montague, Director, Institute of Industrial Relations, University of British Columbia, reported on five of these in a study paper presented to the Economic Council during the National Conference on Labour-Management Relations. The five plans covered in Dr. Montague's study are:

- the Armour Automation Fund;
- the American Motors Progress-Sharing Plan;
- the Human Relations Committee of the Basic Steel Industry;
- the Long-Range Sharing Plan of the Kaiser Steel Corporation;
- the Mechanization and Modernization Agreements for Longshoremen on the Pacific Coast.

Four of the plans studied by Dr. Montague involve joint consultation on administrative aspects of collective bargaining agreements dealing with specific problems arising out of automation and technological change.

The Mechanization and Modernization Agreements for the stevedore industry ensure that a sum of money will be paid over a number of years to reduce the financial impact on the workers of changes in work rules. The Armour fund provided money to assist in the placement of workers displaced by the modernization activities of the company. Both these plans are ad hoc in nature and designed to relieve the bargaining process in major areas of conflict. The American Motors and Kaiser

Steel Corporation plans deal with the problem of how to share the benefits of increased efficiency.

The fifth plan, the Basic Steel Industry's and United Steelworker's Joint Human Relations Committee program, which is also being practised in Canada, is another form of joint consultation. Dr. Montague believes that the Human Relations Committee illustrates the structuring of a search for answers. Though the areas for study are listed in the industry's collective agreement, there is also the provision that, with the approval of both parties, additional topics can be added during the term of the agreement.

Experience has revealed that failure to reach a solution within a given period of time does not necessarily mean long-term failure. Since the Human Relations Committee is designed for continual consultation, its studies can be carried over, without interruption, from one contract period to another. As in all joint consultation programs, the collective bargaining process is looked on as separate from the development of potential solutions. The parties are given the opportunity, in sub-committee work removed from bargaining, to approach problems in an almost relaxed frame of mind. Sub-committees are encouraged to seek the widest possible base for their discussions. The procedure has often been followed that personnel from the plant appear before sub-committees to provide information from practical experience as an aid in developing potential answers.

Dr. Montague claims that an intriguing aspect of the committee's activities has been the addition to regular agreements of an "Appendix C", the provisions of which are put into effect for a stated period. At the time of Dr. Montague's study, the American Steel Industry agreements with the United Steelworkers included experimental provisions for dealing with such troublesome subjects as contracting out, supervisors working, the scope of the agreement, and overtime.

The implication of these experimental agreements is that tentative answers can be formulated and put to the test of actual experience. Not only is the opportunity provided for developing answers over a period of time, but conclusions which are tentative and non-binding in nature can be made in important areas.

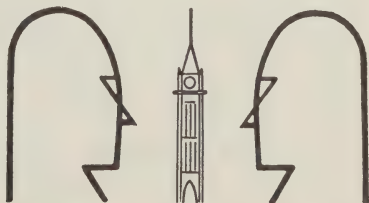


Referring to the American scene in a talk to the National Industrial Conference Board, January 1963, John Dunlop of Harvard University commented:

"I think the most important single invention (that gives us some reason for not being too pessimistic about collective bargaining) is the notion that parties shall meet regularly and systematically outside the bargaining table to study problems. Certain questions that confront industry today, such as adaptation to technological change, reducing manpower, and increasing efficiency, can only be adequately handled by working on them over a period of years, not by coming to one single negotiation crisis. This invention is coming into being, sometimes without new growth, sometimes with private people as neutrals."

From this review of more recent experiments in joint consultation in Canada and the United States, it is apparent that each plan has been tailored to meet the needs of a particular industry or company at the level on which the problem is encountered. Joint consultation must be flexible. At the single plant or institutional operation, a flexible management-union-employee consultation program is also desirable. With this prerequisite in mind, the Labour-Management Consultation Branch is equipped to assist in formulating a joint consultation program tailored to meet the requirements of a particular organization. The variations are unlimited, but the principle remains the same—joint consultation in search of solution's to today's problems.

## *Backed by Government*



Through joint consultation, management preserves the *right* to manage, while recognizing the employee's *need* to participate. Joint consultation therefore does not attempt to interfere with the respective roles and rights of labour and management.

The Government of Canada actively supports the promotion of greater co-operation in industry through joint consultation

as a necessity for a dynamic and prosperous economy. The task of fostering this essential activity has been assigned to the Labour-Management Consultation Branch of the Department of Labour. The Branch operates in an advisory and consultative capacity for both labour and management. Located in regional offices at key centres across Canada, its staff is composed of experienced Industrial Relations Officers trained to assist in the establishment of joint committees.

Headquarters and field representatives of the Branch provide information, advice and assistance in the organization and operation of a joint consultation program. In addition, the field officers periodically visit all committees and are available for advice and direction if specific problems arise.

To supplement the work of its representatives across Canada, the Branch publishes and distributes discussion material, research data, topical posters and other publicity to aid committees in their efforts. In addition, the Branch's newspaper, *TEAMWORK IN INDUSTRY*, contains articles on the latest developments in industrial relations, and reports monthly on the contributions being made by labour-management committees to every sector of the Canadian economy.

Another activity of the Branch is the sponsoring of area labour-management conferences. In co-operation with provincial departments of labour, a number of these meetings have been held in various centres across Canada. Each such conference is tailored to the interest of the community and is arranged with the guidance of a steering committee composed of local civic and community leaders, including representatives of both employer and employee organizations such as the Chamber of Commerce, Board of Trade, Canadian Manufacturers Association, local Labour Councils, Provincial Federations of Labour and individual Unions. The very composition of these conferences is a further example of labour-management co-operation at work. Affording an opportunity to promote the development of regional labour-management co-operation, they are a continuing and important part of the work of the Branch in fostering wider and more intensive co-operation in business and industry.

In the same context of serving the needs and aspirations of each particular area, the Branch is ready to act as a catalyst in getting the various parties together in labour-management

co-operation conferences, seminars or meetings at the company, industry or regional level.

The LMCB is at your service. For further information, write to:

Labour-Management Consultation Branch,

Canada Department of Labour,

Ottawa 4, Ontario.



















